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C O N F I D E N T I A L SECTION 01 OF 02 KYIV 001091

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SUBJECT: GERMAN, POLISH FOREIGN MINISTERS' ROCKY VISIT

Classified By: Political Counselor Colin Cleary for reasons 1.4 (b,d).

SUMMARY

11. (C) The German and Polish Foreign Ministers visited Kyiv on June 17 to push political cooperation in dealing with the economic crisis and the need for stability in gas transit to Europe. President Yushchenko unexpectedly put off the meeting with the FMs, sending them (unwillingly) sightseeing instead. He then used his meeting to complain about Prime Minister Tymoshenko. Tymoshenko focused on the need for European financial help to pay for Ukrainian gas imports and her failed attempts to form a broad coalition government. Following the visit, DFM Yeliseyev told Polish Deputy PM Pawlak that Yushchenko had considered the Foreign Ministers' visit "a waste of time." End Summary.

## MINISTERS PUSH GENERAL MESSAGE ON ECONOMY, GAS

12. (C) The June 17 visit of German Foreign Minister Steinmeier and Polish Foreign Minister Sikorski focused on convincing Kyiv of the need for political consolidation to deal with Ukraine's economic crisis and the need for transparency in the energy sector, according to the Polish Embassy in Kyiv. Polish Embassy Officer Bogaslaw Gertruda told us that Warsaw and Berlin are concerned about the effect a Ukrainian financial collapse could have for the region, especially if leads to a renewed conflict with Russia over gas supplies. Gertruda complained that while the broad themes of the visit were coordinated between Warsaw and Berlin, the specifics of the message were not, leading to some uncertainty about what message each Minister would deliver in the meetings.

## YUSHCHENKO DELAYS, THEN FROTHS

- $\P3.$  (C) Gertruda told us that upon arriving at their first scheduled meeting of the day with President Yushchenko, the Foreign Ministers were informed that Yushchenko was "too busy to meet." They were taken on an almost two-hour long tour of the Kyiv Pecherska Lavra monastery until Yushchenko was free to meet with them. Steinmeier and Sikorsky were "furious" over the delay and considered canceling the Yushchenko meeting and continuing on with their schedule. Sikorski called the delay "a clearly staged stunt" and an "insult."
- $\underline{\P}4$ . (C) In the subsequent meeting, according to Gertruda, Yushchenko dominated the conversation with complaints and accusations against Prime Minister Tymoshenko. Yushchenko accused the PM of collusion with the Kremlin and a willingness to return Ukraine to de-facto Russian control. The President also said that Tymoshenko deserves most of the blame for the current economic crisis which was caused by her "populist policies." At the end of the meeting Yushchenko apologized for his earlier unavailability and said he hoped

that the delay "would not force them to cancel any of their later meetings" which Sikorski took to mean their meeting with Prime Minister Tymoshenko.

## TYMOSHENKO REQUESTS LOANS

15. (C) After canceling their meeting with Acting Foreign Minister (and Yushchenko subordinate) Khandogiy, Steinmeier and Sikorski were able to arrive on-time to their meeting with PM Tymoshenko, Gertruda told us. The discussion focused on Ukraine's difficulties in paying for imported Russian gas and the recent failed "broad" coalition talks. Tymoshenko defended her willingness to form a coalition with opposition Party of Regions as the only way to tackle the economic crisis. She said that painful economic decisions could only be made if most of the political establishment was onboard, otherwise no one would be willing to risk the ire of voters in the upcoming presidential election. Tymoshenko requested German and Polish support for a "bridge" loan from either the EU or a European financial institution to help pay for winter gas that is now being pumped in to underground storage. She emphasized that Ukraine was in a precarious financial situation paying for gas imports and that Europe should have great interest in ensuring that the Ukrainian-Russian gas relationship functions smoothly.

YANUKOVYCH, LYTVYN ON ELECTION, YATSENYUK "VACANT"

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16. (C) Sikorski and Steinmeier also met with Party of Regions opposition leader Yanukovych, Rada Speaker Lytvyn, and former Speaker Yatsenyuk. Yanukovych criticized economic assistance to the Tymoshenko government, especially allowing IMF funds to be used for direct budget support, as explicit Western support for her presidential campaign. He told the Foreign Ministers that only he and the Party of Regions could take the needed steps to stabilize the economic situation in Ukraine. Lytvyn emphasized the weakness of Tymoshenko and Yanukovych in the upcoming presidential election and the opportunity for a third candidate with a message of national reconciliation to upset the status quo. FM Sikorski found Yatsenyk "vacant" and said that he never expressed more than pleasantries and generalities, according the Gertruda. We heard the same readout from German Embassy colleagues.

# POST-VISIT LECTURE BY UKRAINIAN FOREIGN MINISTRY

17. (C) On the sidelines of the June 19 Ukrainian-Polish Intergovernmental Commission on Economic Cooperation, Ukrainian Deputy Foreign Minister Konstyantyn Yeliseyev expressed Yushchenko's personal displeasure over the Sikorski and Steinmeier visit to Polish Deputy Prime Minister Waldemar Pawlak. Gertruda told us that Yeliseyev said that Yushchenko considered the visit an unnecessary "waste of his time." He said that he would not support such a visit again and that if the EU, Germany or Poland had a message to deliver to Kyiv, Ukraine had Embassies in their capitals for that. Yeliseyev told Pawlak that Ukraine does not need lectures from the EU and warned them about interfering in Ukraine's domestic politics. Gertruda said that Pawlak was so "stunned" by Yeliseyev that he did not respond and simply walked away.

### A "STRANGE" VISIT

18. (C) Former National Security and Defense Council Secretary Volodymyr Horbulin told us he regarded the Ministers' visit as "strange." The idea for the visit had come several months ago as a way to promote unity on reform in the face of IMF

negotiations and the economic crisis. However, it is clear at this point that there will be no unity, so the visit was "rather pointless." Presidential Administration Foreign Policy deputy Bohdan Yaremenko affirmed to us that Yushchenko resented "chiding" from the outside about his dispute with Tymoshenko. Yaremenko claimed that the ministers were not well prepared and had no real message. Germany was the initiator of the visit and had approached others, such as the Swedes and French to join, but they had declined, also seeing the visit as lacking in purpose. In any case, Yaramenko affirmed, Yushchenko regarded the visit as unproductive and unnecessary.

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